retirement scheme situation, does not indicate withdrawal of facilities of 7-Day Banking on grounds of inadequate manpower.

IBA has further reported that a few Public Sector Banks are reviewing the continuation of the 7-Day Banking facility in view of inadequate volume of transactions to make it cost-effective.

IMF's prediction on growth rate

†2526. SHRIMATI KUM KUM RAI: Will the Minister of FINANCE be pleased to state:

(a) whether India's economic growth rate at present is around five per cent, but according to the International Monetary Fund it should be at least eight per cent;

(b) if so, the names of those basic improvement schemes formulated to improve it togetherwith the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) International Monetary Fund (IMF) has not stated that India's growth rate should be at least 8 per cent but has pointed out that a higher growth path of 7-8 per cent per annum compared to the present 5-6 per cent is necessary to permit more rapid poverty reduction. As per the Revised Estimates for 2000-01 released by the Central Statistical Organisation the growth in Gross Domestic Product (GDP) at factor cost at constant (1993-94) prices is estimated at 5.2 per cent. The IMF has emphasised that fiscal reform, trade liberalisation, domestic deregulation and financial sector reform are critical for allowing India to reach a higher growth path. The broad strategy of the Budget: 2001-2002 to achieve higher growth *inter alia* include speeding up of agricultural reforms; intensification of infrastructure investment, continued reform in the financial sector and capital markets, and deepening of structural reforms; human development through better educational opportunities and programmes of social security; improvement in the quality of Government expenditure; acceleration of privatisation process and restructuring of public enterprises etc. With a view to achieve fiscal consolidation, the Budget for 2001-02 emphasises expenditure management through the process of bringing about structural changes in the composition of Central Government expenditure, economy in

†Original notice of the question was received in Hindi.

non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiative which among others include restricting fresh recruitment to one per cent of total civilian staff strength, user charges for services provided by the Government and its agencies to be revised keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administred interest rates were reduced by 1.5 per cent as on March 1, 2001. Besides, the Fiscal Responsibility and Budget Management Bill, 2000 was introduced in Parliament in December 2000. This Bill includes provisions relating to ceilings on debt, deficit and borrowing. Policy initiatives announced in the Budget are expected to have a favourable impact on growth during the current year.

Financial package to J and K

2527. MIRZA ABDUL RASHID: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any plan to grant a financial package to Jammu and Kashmir on the patern of North-East States or on Punjab;

(b) if so, by when it is likely to be granted; and

(c) if not, what are the constraints coming in the way of Government in doing so for a State like Jammu and Kashmir, where proxy war by Pakistan has completely destroyed infrastructure in every sphere of development?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The State of J and K enjoys the status of a Special Category State, in line with States of the North East. Plan assistance to J and K is extended as 90% grant and 10% loan, as agaisnt the normal pattern of 70% loan and 30% grant for Non-Special Category States. The total amount of Plan and Non-Plan assistance to J & K has increased over 30% during the last 4 years. The resource transfer to J and K has increased considerably during the recent past mainly on account of enhanced allocation of Rs. 2111.66 crores during 2000-01 and Rs. 2240.87 crores during 2001-02 as non-plan revenue deficit grant recommended by the Eleventh Finance Commission. Moreover, progress of various development projects/Special schemes sanctioned for J and K is reviewed periodically in consultation with the State Government and necessary financial resources are made available through the respective Central Ministries.